

newenergy

September 18, 2000

Mr. Lou Budike
Powerweb Technologies
655 Niblick Lane, Suite 100
Wallington, PA 19086

Dear Lou,

As per your request for written correspondence, I have provided an overview of our current understanding of our relationship with Powerweb. NewEnergy is committed to our agreement with Powerweb. The agreement with Powerweb is to jointly develop a curtailment project with Verizon Communications (previously know as Bell Atlantic). In addition, if both parties agreed in writing we would pursue other telecommunications clients under the terms of our agreement.

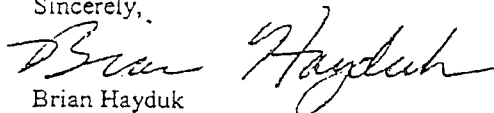
As a sign of our commitment to Powerweb and Verizon we agreed to fund the project development costs up to \$100,000. The project development costs were to be returned to NewEnergy through the revenues generated from the Verizon project. These funds were to be held by Powerweb and used only upon the sole approval of NewEnergy. To date, we have not authorized any use of these funds.

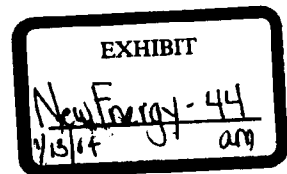
Although Verizon has not approved the curtailment project, NewEnergy is committed to working with Powerweb in pursuing this opportunity with Verizon at least until our agreement expires on January 7, 2001. If agreeable with Powerweb, NewEnergy will consider extending or signing a new agreement to pursue a curtailment project with Verizon. If both parties do not agree to extend the current contract, NewEnergy would anticipate a full refund of money provided for development costs.

We would also like to restate communication that we had with Martin Anderson from your office. Until we have an actual project in place or a longer-term deal negotiated between our two companies, we do not want Powerweb to use the NewEnergy or AES name or logo in any manner. Any disclosure to other parties without our prior written permission may damage our ability to win business and is considered by us to be a material breach of Confidentiality.

We are disappointed that you will not return our phone calls to discuss moving forward with our relationship. Based on this action, we are not sure if Powerweb is committed to continuing with our agreement. Please let us know what your intentions are. We hope this provides the clarification you requested.

Sincerely,


Brian Hayduk



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EXHIBIT C